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The Silver Market

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Highlights of The Silver Market for 1989

The silver price during 1989 enjoyed a degree of stability not experienced since 1977. Price fluctuations were less volatile and silver traded within a relatively narrow band between $5.00 and $6.17 during 1989. It began the year at $6.065 and closed the year at $5.18, dropping 14.6% from its opening value.

Absent speculative hoarding for investment purposes along with abundance of supplies, silver prices declined throughout the year. Each time prices strengthened, investors and speculators sold into the rally and these actions prevented any large price movements.

Silver consumption continues to increase on a worldwide basis as a result of industrialization. Consumption in the form of coinage also continues to increase as governments around the world find this to be an attractive market.

Mine production also continues to increase. This results primarily from production of silver as a by-product of mining other metals, mainly copper and gold. Since this secondary production is not sensitive to the price of silver, it is expected to continue based on general business conditions.

Silver consumption has been in balance with production during the past two years and total worldwide stock remained at more than 1.5 billion ounces.

This past year was an extraordinary year for geopolitical developments, particularly within the Eastern European countries. As widely reported in the press, many countries are breaking their adherence to communist ideology and attempting to follow free market concepts for economic development. If this trend is sustained, the silver market will certainly be influenced by these changes. In the short run, more silver may be supplied to the marketplace as these countries attempt to sell precious metals to get hard currencies to pay for imported goods, and consumption will probably increase as these countries industrialize. Therefore, for the first time the 1989 Review is including silver consumption and production for these countries as well. Statistics for previous years have been revised to incorporate this change; consequently, this year's silver review has been delayed due to difficulties in gathering and compiling data from sources around the globe.

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Review of The Silver Market for 1989

Silver opened 1989 at $6.065 and reached a peak of $6.17 on January 23 which was ultimately the high for the year. From this peak, it steadily declined throughout most of the year and reached a bottom of $5.015 on September 15. Thereafter, it rebounded to $5.84 on November 22 and then dropped back to $5.18 to close the year.

For silver, this has been one of the less volatile years with a peak-to-trough range of $1.155 or 19% of the opening price. Nothing dramatic occurred during the year which seriously affected the supply or demand side of the equation.

Review of the World Market

Silver occupies a dual role in the world economy, one being an industrial commodity used in photographic, electrical, chemical, jewelry and housewares industries. The second role being a store of wealth. This latter role is somewhat comparable to gold and currencies.

Annual total output of silver depends to a certain extent on the production of other minerals such as copper, gold, lead and zinc. It is our understanding that about 45% of silver comes directly from "silver" mines. Copper mines contribute approximately 30% of silver's annual production, and gold mines 20%. Approximately 5% of silver comes from lead and zinc mines and the remainder are gold/silver mines.

Even though silver is in excess supply at present, this supply does not adjust immediately to a decline in price. A large portion of silver will continue to be produced irrespective of price. This is especially true at the present time since copper demand exceeds supply and copper production capacity is being expanded around the world. Similarly, zinc is also in tight supply and this, too, may induce higher production of zinc and, therefore, silver.

World mine production in 1989 increased 2.8% to 470.1 million ounces from 457.3 million ounces in 1988. This increase is principally the result of increased mine production in the United States, Peru, and Eastern European countries.

Secondary recovery of old scrap declined in 1989 to 102.4 million ounces from 104.6 million ounces in 1988. This decline is mainly the result of lower supplies from secondary sources in India.

Total supply of silver from both mine production and recycling of old scrap showed an increase of 1.9% in 1989. Total production is estimated to be 572.5 million ounces in 1989. This is an increase of 10.6 million ounces over the 1988 amount of 561.9 million ounces.

World industrial consumption continues to increase as a result of industrialization. Industrial consumption during 1989 rose to 546.7 million ounces from 536.0 million ounces in 1988. In percentage terms, this is a 2.0% increase.

With the low prices and lackluster demand for silver, governments apparently are finding it profitable to mint more new coins as a mean of supplementing their national budget. Coinage also provides an alternative to holding bullion for the small investors. Total coinage is estimated to have been 34.4 million ounces in 1989 vs. 25.7 million ounces in 1988.

Total uses of silver, industrial consumption and coinage, showed an increase of 3.5% during 1989. This is an increase of 19.4 million ounces from the 1988 level of 561.7 million ounces to 581.1 million ounces in 1989.

Total worldwide consumption of silver exceeded production by 8.6 million ounces in 1989. In 1988, production exceeded consumption by 0.2 million ounces. Therefore worldwide stock of silver did not change significantly over the past two years. Total worldwide stock of silver at the end of 1989 is estimated to be 1,529.1 million ounces.

While total worldwide stock remained stable, silver holding by different institutions and groups changed significantly during 1989. Governments, primarily U.S. and Mexico liquidated much of their stock. The U. S. government was a net supplier of silver to the extent of 13.2 million ounces in 1989. Mexico reduced their stock by 20.1 million ounces or 47.4% of their 1988 year-end stock of 42.4 million ounces. Industry appears to have accumulated an

additional 14.5 million ounces during 1989. Approximately 10.2 million ounces of this increase was in Japan.

In addition, there appears to be a shifting in the holding pattern of silver from private vaults to COMEX. COMEX stock increased 64.4 million ounces in 1989. Private investment stock appear to have declined by 52.8 million ounces.

SILVER IN THE UNITED STATES

New York Market: The Commodity Exchange (COMEX) in New York is the largest market for trading silver in the United States. COMEX is a futures market and trades mainly contracts for delivery of silver for future months and other future periods. The most quoted price for prompt physical delivery of silver (Spot Price) in New York is the price published by Handy & Harman. The Handy & Harman price closely reflects the prices on COMEX for silver futures, because silver users and suppliers trade and hedge on the COMEX. Unless otherwise specified, all references to the New York prices are to the Handy & Harman published price.

Price Definition: The New York Silver Price as published daily by Handy & Harman is defined as follows:

> "The daily silver quotation reported by Handy & Harman, in cents and tenths of a cent per troy ounce, is the lowest at which offers can be obtained by Handy & Harman for silver in commercial bar form, in accordance with ASTM Designation: B413-69 Specification for Refined Silver, Grade 99.90 for nearby delivery at New York, in quantities sufficient to meet requirements."

Although the New York Silver price, as published by Handy & Harman, is usually very close to the COMEX price, there is a

New York Silver Prices Monthly Ranges

distinction between the two: COMEX accepts as good delivery against contracts on the Exchange silver which is 99.9% pure without reference to impurities, whereas Handy & Harman requires conformity to ASTM specification which sets maximum limits on impurities. These limits are very important to commercial users.

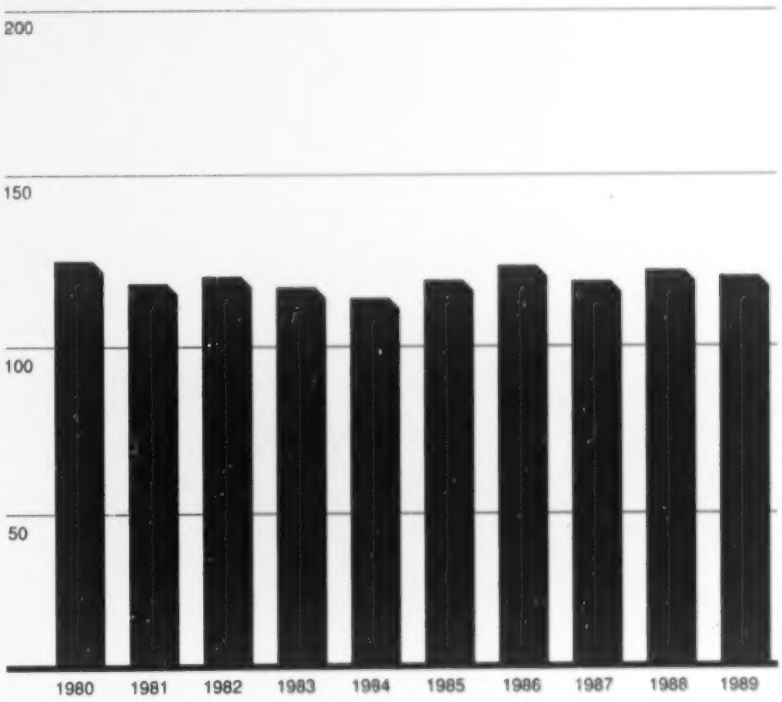
Silver Futures: Silver futures trading decreased 6% during 1989. Total trading was 4,376,611 contracts of 5,000 ounces each. This is equivalent to 21.9 billion ounces of silver as compared to 23.3 billion ounces in 1988. Open interest at year-end stood at 94,843 contracts. This was an increase of 2% from 93,064 at the beginning of the year.

COMEX stock at licensed vaults rose 64.4 million ounces during 1989 to 238,772,000 ounces. This represents a 37% increase over the 1988 level of 174,358,000 ounces. Stocks in approved Chicago Board of Trade vaults declined by 1.7 million ounces in the same period to 11,376,000. This decline represents 13% of the beginning stock of 13,103,000 ounces.

Industrial Consumption: The United States Bureau of Mines no longer compiles statistics on U. S. consumption by end use categories. The Bureau has decided to measure "apparent demand" which is defined as "refinery production from primary materials plus refinery production from old scrap plus net imports of bullion." This measure includes investment demand as well as silver required by the domestic fabricating industry. Apparent demand as reported by the U.S. Bureau of Mines, was estimated to be 172,600,000 ounces in 1989 compared to 133,200,000 ounces in 1988.

Industrial consumption is believed to have declined during 1989 by 1.2 million ounces to 118.8 million ounces from 120 million ounces in 1988. The table on page 26 reflects our estimates of United States Industrial Consumption of silver by end use.

Industrial Consumption of Silver
in the United States 1980-1989
(millions of ounces)



Production: United States production of silver from mines is estimated to have increased 13.9% from 53.4 million ounces in 1988 to 60.8 million ounces in 1989. Secondary production of silver from refining old scrap continues to increase and was 28.6 million ounces in 1989 vs. 27.4 million ounces in 1988.

Imports and Exports: Imports of silver into the United States increased 19.9% in 1989 to 106.2 million ounces from 88.6 million

ounces in 1988. The major source of this increase was Mexico. Mexican imports rose from 39.6 million ounces in 1988 to 57 million ounces in 1989, an increase of 43.9%. Imports from Canada rose 8.8% from 35.4 million ounces to 38.5 million ounces. Shipments received from all other countries decreased from 13.6 million ounces in 1988 to 10.7 million ounces in 1989.

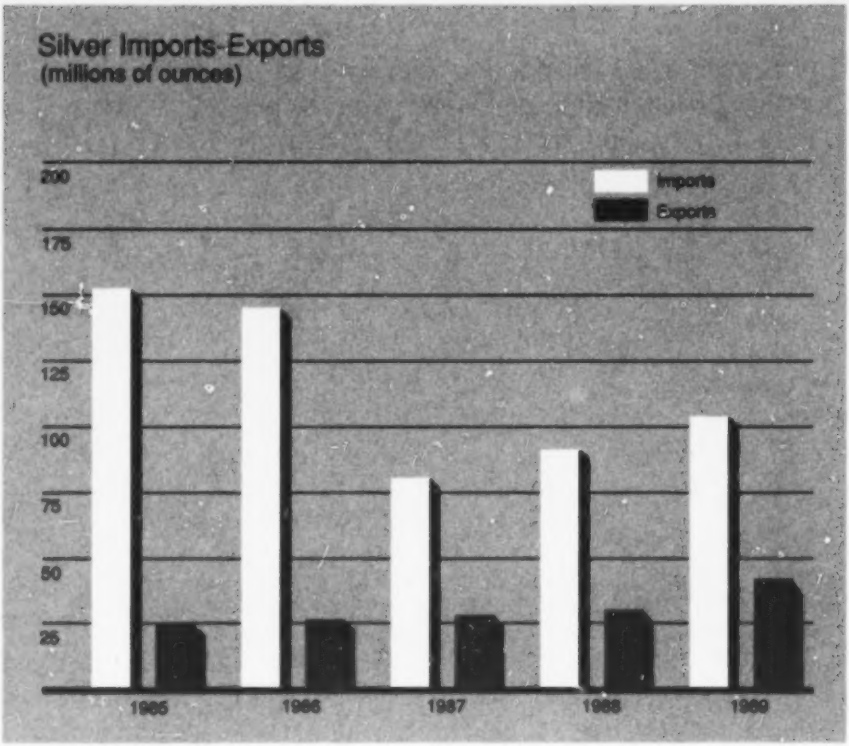
Exports of silver from the U. S. also increased a healthy 28.3% from 32.1 million ounces to 41.2 million ounces, an increase of 9.1 million ounces. Exports to Canada jumped 4.3 million ounces to 7.1 million ounces from 2.8 million. Exports to Japan also increased 4 million ounces or 51.9% from 7.7 million ounces to 11.7 million ounces. Exports to all other countries increased from 21.6 million ounces in 1988 to 22.3 million ounces in 1989, an increase of 700,000 ounces or 3%.

Legislative Developments: As required by various legislation passed in Congress during the past several years, the U. S. Government sold approximately 2.5 million ounces through auctions during 1989. The Government's strategic defense stockpile of silver was 99.7 million ounces as of year end 1989. Another 39.7 million ounces are authorized to be sold from the stockpile. Of this amount, 2.5 million ounces are expected to be sold in fiscal year 1990. In addition, the U. S. Mint continues to use up the strategic defense silver stockpile for coinage.

United Kingdom

Industrial consumption in the U.K. increased 1% in 1989 to 22.5 million ounces from 22.3 million ounces in 1988. Secondary refinings from old scrap increased 2.5% in 1989 to 10.6 million ounces from 10.4 million in the prior year. No coins were melted down for industrial use in 1989.

Imports for 1989 were 26.1 million ounces, a decrease of 2 million or 7% from the revised 1988 level of 28.1 million ounces.



The following table shows the major sources of imports during 1988 and 1989:

	(millions of ounces)	
	1989 Estimate	**1988 Revised**
Australia	1.7	1.3
Belgium	0.5	2.1
France	0.5	3.5
East Germany	7.9	4.3
West Germany	2.5	1.0
Mexico	5.1	7.7
United States	1.8	1.7
Other Countries	6.1	6.5
Total	26.1	28.1

Silver bullion exports for 1989 were 25.4 million ounces up from 16.6 million ounces in 1988. This increase is equivalent to 52.7% of the 1988 level. The major countries receiving these exports were as follows:

	(millions of ounces)	
	1989 Estimate	**1988 Revised**
France	2.3	0.0
West Germany	18.4	11.2
Switzerland	1.2	0.9
Other Countries	3.5	4.5
Total	25.4	16.6

West Germany

Total consumption, both industrial and investment, in West Germany amounted to 45.8 million ounces in 1989 vs. 47.2 million ounces in 1988. This is a decline of 3% from the year earlier level.

Domestic mine production in West Germany is very limited. Total production is 14.8 million ounces of which 98.3% or 14.5 million ounces originated from imported ores. Smelting of imported ores decreased 2.5 million ounces in 1989 from 17 million ounces in 1988. Secondary production from refining old scrap totalled 22.5 million ounces in 1989 vs. 18 million in 1988.

Refined silver and silver products which were imported into West Germany totalled 53.0 million ounces in 1989. Of this amount Great Britain contributed 18.1 million ounces and Belgium contributed 9.9 million ounces.

Exports totalled 35 million ounces in 1989 vs. 22.4 million in 1988. The major market for these exports were the Arab Emirates with 8.1 million ounces.

The following table shows the estimate for consumption in Germany in 1989:

	(millions of ounces)
Production	14.8
Recovery from old scrap	22.5
Imports	53.0
Total supply	90.3
Exports	35.0
Change in domestic stock	0.0
Available for consumption	55.3
Silver coinage	9.5
Total consumption	45.8

France

Production of silver from refining operations was 8.7 million ounces in 1989. This is slightly less than the 9 million ounces produced in 1988. Secondary recovery of silver resulted in 3.2 million ounces in 1989 vs. 4.5 million ounces in 1988. Total imports were 23.1 million ounces in 1989 or 14.3% higher than the revised 20.3 million ounces imported in 1988. The key countries involved in these imports were the United States at 6.6 million ounces and Great Britain with 4.0 million ounces.

Consumption in France increased by 24.3% and totalled 28 million ounces in 1989 against 22.5 million ounces in 1988. Coinage used 4.0 million ounces in 1989 vs. 1.4 million in 1988. Exports were approximately the same both in 1988 and 1989 at 18 million ounces. Switzerland and Spain were the primary market for silver exports. Switzerland acquired 6.8 million ounces and Spain took 3.9 million ounces in 1989.

Canada

Consumption of silver increased slightly in 1989 to 10.9 million ounces from the revised 10.8 million ounces in 1988. Silver used in coin production was 3.3 million ounces in 1989 vs. 2.0 million ounces in 1988. Mine production was 40.6 million ounces. This is a decrease of 7.9% from the revised 44.1 million ounces in 1988.

In 1989, total exports of silver, in ore form and refined silver, is estimated to be 51.5 million vs. 44.6 million in 1988. Of this amount, 18.4 million ounces were in ore form and 33.1 million ounces were refined silver. The United States took 38.5 million ounces of total Canadian exports.

Canada also imported silver, both in ore form and refined silver. Total imports were 13.7 million ounces in 1989 versus 3.0 million ounces in 1988. Of this amount, the United States was the source for 7.1 million ounces.

Mexico

Mine production in Mexico declined slightly during 1989 to 74.2 million ounces from 75.9 million ounces in 1988. Mexican consumption of silver increased almost 50% to 15.0 million ounces in 1989 from 10.3 million ounces in 1988. Exports from Mexico increased from 51.8 million ounces in 1988 to 61.4 million ounces in 1989. Most of Mexico's production of silver is exported to the United States, Japan and Germany. Since Mexico is the world's largest silver producer, it does not import silver. The Bank of Mexico stock of silver showed a dramatic decline of 20.1 million ounces during 1989. This decline is 45.6% of the 1988 year-end stock of 42.4 million ounces. The 1989 year-end stock stands at 22.3 million ounces. Mexico continues to increase its coinage program. Two million ounces of silver were used for coins in 1989 vs. 1.5 million ounces in 1988.

Japan

Silver consumption at 102.1 million ounces in 1989 is down 1.7% from 1988 record level of 103.9 million ounces. However, the revised figures show that the 1988 increase was 12.7% or 11.7 million ounces more than the 92.2 million ounces in 1987. These higher consumption levels reflect Japan's strong role in the world economy.

The consumption pattern has stayed very consistent over the years with the majority of the silver used in the photographic industry. The other uses are nitrates, electrical contacts, solder and brazing alloys, electroplating, silverware, tubes, sheets, bars and wires. The chart below shows the specific quantities of silver used for each category:

	(millions of ounces)				
	1989	**1988**	**1987**	**1986**	**1985**
Photography	54.8	56.7	51.4	47.1	42.2
Nitrates	8.9	9.6	8.3	7.6	6.8
Electrical Contacts	9.5	8.4	7.0	6.8	7.5
Solder & Brazing	4.5	4.3	3.7	3.2	3.7
Electro-Plating	3.8	3.6	4.9	4.0	3.6
Tube, Sheet, Bar & Wire	6.9	5.9	5.3	4.0	3.6
Silverware	3.5	3.0	2.2	1.7	1.7
Other	10.2	12.4	9.4	15.1	4.6
Total	102.1	103.9	92.2	89.5	73.7

Mining production decreased from 8.1 million ounces in 1988 to 5.0 million ounces in 1989 due to closing of exhausted non-ferrous mines. There are no "silver" mines in Japan.

Importation of silver bullion and products declined to 27.4 million ounces in 1989 from 29.7 million ounces the prior year. Imports from Mexico were at record levels of 19.6 million ounces in 1989 vs. 15.2 million ounces in 1988. Peru also contributed to the increase in silver imports with 9.1 million ounces in 1989 vs. 6.7 million ounces in 1988.

Aside from the refined silver imports, Japan also imports a large quantity of mineral ores to be refined into fine silver bullion. Japan produced 63.9 million ounces of silver from its refineries in 1989. This is an increase of 4.9 million ounces from the 59 million ounce level in 1988.

India

Good harvests at the farms in India are causing strong investment demand for silver. Investment demand is estimated to be 9.6 million ounces in 1989 vs. 6.4 million in 1988. Consumption of silver rose to 25.7 million ounces in 1989 from 22.5 million ounces in 1988. Since domestic production, including secondary refining in India, is limited to only 8 million ounces per annum and importation of silver is prohibited, the shortfall of silver had to be smuggled into India. Apparently, this is a very profitable and successful activity and approximately 17.7 million ounces entered India in this fashion.

Eastern European Countries

This past year has been a monumental year in the history of mankind as communist countries in Eastern Europe decided that capitalism may be the better system to provide their citizens with needed goods and services.

As these countries try to restructure and develop, it is likely that silver will be mined and sold for hard currencies to purchase machinery and equipment as well as consumer goods. This trading may lead to additional supplies of silver coming to the marketplace. As these nations become more industrialized, the need for silver will increase. But until then, these countries are more likely to be suppliers rather than consumers of silver.

Poland is one such country which produces approximately 34 million ounces of silver per annum and sells virtually all of it to

the market place. Some of Poland's output is believed to be exported to the Soviet Union.

The Soviet Union is a net importer of silver. Although it is a major mineral producer, it does not produce enough silver to meet it own requirements. It is believed that the U.S.S.R. imports approximately 10 million ounces annually to supplement its domestic production of 53 million ounces. Although the Soviet Union has not developed a consumer photographic market such as in the U.S. and Japan, it does use a substantial amount of silver. Due to lack of technical advancement in this area, their silver content per unit of film is high compared to the Western countries and Japan.

Other countries in the region which are minor producers of silver are: Yugoslavia, about 5 million ounces, Czechoslovakia and Bulgaria, 1 million ounces each and East Germany, 1.3 million ounces per annum.

Silver as an inflation hedge

Silver tends to be viewed as an inflation hedge by some investors and speculators in the United States as well as many parts of the world. The following table lists average annual silver prices in terms of constant dollars:

SILVER PRICES VS. INFLATION

	GNP Deflator	Silver Price	Deflated Price	Inflation Rate
1967	35.9	1.550	4.317	2.6%
1968	37.7	2.145	5.689	5.0%
1969	39.8	1.791	4.499	5.6%
1970	42.0	1.771	4.216	5.5%
1971	44.4	1.546	3.481	5.7%
1972	46.5	1.685	3.623	4.7%
1973	49.5	2.558	5.167	6.5%
1974	54.0	4.708	8.718	9.1%
1975	59.3	4.419	7.451	9.8%
1976	63.1	4.353	6.899	6.4%
1977	67.3	4.623	6.869	6.7%
1978	72.2	5.401	7.480	7.3%
1979	78.6	11.094	14.114	8.9%
1980	85.7	20.632	24.074	9.0%
1981	94.0	10.518	11.190	9.7%
1982	100.0	7.947	7.947	6.4%
1983	103.9	11.441	11.012	3.9%
1984	107.7	8.141	7.559	3.7%
1985	110.9	6.142	5.538	3.0%
1986	113.8	5.470	4.807	2.6%
1987	117.4	7.009	5.970	3.2%
1988	121.3	6.535	5.387	3.3%
1989	126.3	5.499	4.354	4.1%

In the above table silver prices have been adjusted for inflation by using GNP deflators, 1982 = 100. It is interesting to note that over the 22 year period, the market price of silver has increased approximately 350% since the end of 1967. However, the GNP deflated silver price appears to have remained roughly the same. In constant dollar terms, silver sold for around $4 to $5 in the late 1960's and it is still selling around that level. Except for the big bubble that ultimately burst in 1980, the inflation adjusted price of silver seems to be around $4 to $5 during years when

inflation is under control, i.e., less than 6% per annum. It appears that silver prices had a premium value when inflation escalated during the period 1973 to 1982, when the premium seemed to be 50% to 100% greater than that during the "noninflationary" periods.

OUTLOOK FOR SILVER

There is a plentiful enough flow of silver coming from mine production and secondary recovery to satisfy the industrial demand for the metal worldwide. Further expansion of copper and zinc production will tend to generate additional supplies. In addition, worldwide stockpiles of silver are very large and readily available depending upon price. Furthermore, advanced industrial conservation techniques are limiting the expansion of uses for silver.

The principal growth in silver consumption will be in the industrialization of Eastern Europe, Asia and Latin America. The continuing development of these areas will certainly increase silver usage; however, these changes are likely to take place very slowly. Therefore, we do not see any sudden increases in demand from the industrial side. However, increased investment demand for precious metals may occur in less developed countries with weak currencies or high rates of inflation since they do not have many options for storing wealth.

STATISTICAL TABLES

World Silver Production

(millions of ounces)

	1989	1988	1987	1986	1985
Mine Production:					
United States	60.8	53.4	39.9	34.5	39.4
Canada	40.6	44.1	44.2	35.0	38.5
Mexico	74.2	75.9	77.6	75.2	73.2
Australia	32.2	35.8	36.0	32.9	34.9
France	0.8	0.8	0.8	0.8	0.8
West Germany	0.3	1.6	1.7	0.9	1.1
Italy	3.0	2.9	2.6	1.8	2.3
Japan	5.0	8.1	9.0	11.3	10.9
India	1.4	1.3	1.2	1.0	0.8
Peru	56.9	49.9	66.1	61.9	58.2
U.S.S.R.	53.0	50.8	49.8	51.4	52.1
Other Eastern European Countries	56.9	52.7	44.3	43.5	42.6
All Others	85.0	80.0	77.0	80.0	75.0
Total Mine Production	470.1	457.3	450.3	430.3	429.9
Recovery from Secondary Sources:					
United States	28.6	27.4	26.0	24.5	27.8
Canada	4.5	4.5	4.0	4.0	3.8
Mexico	1.0	1.0	0.8	0.7	0.6
United Kingdom	10.6	10.0	10.0	10.0	9.5
France	3.2	4.5	3.0	3.0	3.0
West Germany	22.5	18.0	20.0	18.0	17.0
Italy	5.0	5.0	4.5	4.5	4.0
Japan	5.4	5.2	17.6	3.6	2.9
India	6.6	14.5	14.5	17.7	20.9
U.S.S.R. & Eastern Europe	10.0	9.5	9.4	9.2	9.0
Other Countries	5.0	5.0	5.0	5.0	5.0
Total Recovery	102.4	104.6	114.8	100.2	103.5
Total Worldwide Production	572.5	561.9	565.1	530.5	533.4

World Stocks of Silver Bullion

(millions of ounces)

	1989	1988	1987	1986	1985
PRIVATE STOCKS:					
New York Commodity Exchange	238.8	174.4	156.3	145.4	155.3
Chicago Board of Trade	11.8	13.1	13.5	16.7	17.8
London Metal Exchange	15.0	15.0	19.9	23.1	50.1
U.S. Industry Stocks	14.6	15.2	15.0	17.6	18.5
Japan Industry Stocks	37.3	27.1	25.0	24.5	29.7
Unreported Industry Stocks - Other Countries	47.0	42.0	40.0	37.5	36.0
Unreported Investment Stocks	885.0	937.8	952.4	916.1	848.1
Total	1,249.5	1,224.7	1,222.1	1,180.9	1,155.4
U.S. GOVERNMENT STOCKS:					
Strategic Stockpile	99.7	106.4	113.3	127.3	137.5
Treasury (Mint)	32.1	38.6	39.5	33.8	32.6
Total	131.8	145.0	152.8	161.1	170.1
FOREIGN GOVERNMENT STOCKS:					
Mexico	22.3	42.4	37.7	32.1	30.0
India	67.5	67.5	67.5	67.5	67.5
Unreported - Other Countries	58.0	58.1	57.4	57.4	57.5
Total	147.8	168.0	162.6	157.0	155.0
Worldwide Surface Silver Stock	1,529.1	1,537.7	1,537.5	1,499.0	1,480.5

World Silver Consumption

(millions of ounces)

	1989	1988	1987	1986	1985
Industrial Uses:					
United States	118.8	120.0	118.5	121.7	118.6
Canada	10.9	10.8	10.4	9.6	9.1
Mexico	15.0	10.2	3.9	4.9	5.1
United Kingdom	22.5	22.3	21.5	20.5	19.0
France	28.0	22.5	19.6	16.4	18.0
West Germany	45.8	47.2	40.5	36.9	31.7
Italy	19.8	18.0	24.4	14.5	4.6
Japan	102.1	103.9	92.2	89.5	73.7
India	25.7	22.5	18.5	22.5	20.9
U.S.S.R. & Eastern Europe	94.9	96.6	87.0	100.4	91.5
Other Countries	63.2	62.0	60.0	58.2	54.9
Total Industrial Uses	546.7	536.0	496.5	495.1	447.1
Coinage:					
United States	9.4	8.8	15.1	7.5	0.4
Canada	3.3	2.0	1.2	2.0	0.3
Mexico	2.0	1.5	2.3	2.0	3.0
France	4.0	2.2	2.3	2.4	2.2
West Germany	9.5	5.2	5.2	0.0	0.0
Other Countries	6.2	6.0	3.9	3.0	3.0
Total Coinage	34.4	25.7	30.0	16.9	8.9
Total Silver Consumption	581.1	561.7	526.5	512.0	456.0

United States Industrial Consumption of Silver by End Use

(millions of ounces)

	1989	1988	1987	1986	1985
Photographic materials	59.3	60.0	58.0	58.3	57.9
Electrical and electronic products	30.0	30.0	30.5	31.1	30.0
Sterling ware, electroplated ware and jewelry	11.0	12.0	13.0	12.2	13.0
Brazing alloys and solders	6.5	6.0	7.0	6.4	5.6
Other	12.0	12.0	10.0	13.7	12.1
Total Industrial Consumption	118.8	120.0	118.5	121.7	118.6

Changes in World Silver Stock

(millions of ounces)

	1989	1988	1987	1986	1985
World Silver Production	572.5	561.9	565.1	530.5	533.4
World Silver Consumption	581.1	561.7	526.5	512.1	455.9
Addition/Reduction in Worldwide Stock	−8.6	0.2	38.5	18.5	77.4
Increase/Decrease in U.S. Government Stock	−13.2	−7.8	−8.3	−9.0	0.7
Increase/Decrease in Industry Stock	14.5	4.3	0.4	−4.6	−2.1
Increase/Decrease in Foreign Gov't Stock	−20.2	5.4	5.6	2.0	5.0
Increase/Decrease in Unreported Investment Stock	−52.8	−14.6	36.3	68.0	40.3
Increase/Decrease in Exchanges Stock	63.1	12.8	4.5	−38.0	33.6
Increases/Decreases in Worldwide Stock	−8.6	0.2	38.5	18.5	77.4

Exports of Silver from the United States

(millions of ounces)

	1989	1988	1987	1986	1985
Exported to:					
Canada	7.1	2.8	3.3	2.6	8.7
United Kingdom	7.7	8.6	7.7	5.6	1.6
Japan	11.7	7.7	5.6	4.6	3.8
West Germany	1.4	0.9	0.8	0.6	0.5
All Other Countries	13.2	12.1	9.7	11.7	10.2
Total Exports	41.2	32.1	27.1	25.1	24.8

Imports of Silver into the United States

(millions of ounces)

	1989	1988	1987	1986	1985
Imported from:					
Canada	38.5	35.4	20.6	46.9	45.9
Mexico	57.0	39.6	42.5	48.0	41.6
Peru	2.8	1.9	7.2	10.1	12.1
Other Western Hemisphere Countries	4.4	6.3	6.5	9.2	9.5
Total Western Hemisphere	102.7	83.1	76.8	114.2	109.1
United Kingdom	0.7	3.1	0.1	11.8	19.7
All Other Countries	2.8	2.4	4.9	18.9	23.8
Total Imports	106.2	88.6	81.8	144.9	152.6

Silver Quotations

	NEW YORK (Handy & Harman) cents			LONDON (Daily Fixing) pence		
	High	Low	Average	High	Low	Average
1989...	617.000	501.500	549.917	376.150	309.200	335.538
1988...	799.000	601.000	653.460	457.750	328.400	367.295
1987...	1020.000	536.000	700.881	653.600	344.400	428.283
1986...	619.500	487.000	546.995	452.100	317.700	373.030
1985...	673.500	557.000	614.218	576.900	401.100	477.560
1984...	1003.500	626.000	814.066	679.700	529.100	607.056
1983...	1474.500	834.000	1144.128	948.650	560.250	753.437
1982...	1121.000	488.500	794.728	685.150	285.100	455.258
1981...	1645.000	795.000	1051.837	671.200	412.800	515.234
1980...	4800.000	1080.000	2063.157	2165.050	467.800	900.662